

## Message Text

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SUBJ: NATIONAL MACHINE TOOL BUILDERS IOGA TRADE MISSION

SUMMARY: NATIONAL MACHINE TOOL BUILDERS IOGA TRADE MISSION VISITED IRAN FROM FEBRUARY 6 TO 17, 1974 WITH OUTSTANDING RESULTS. ESTIMATE US SHARE OF IRANIAN MACHINE TOOL MARKET FOR NEXT THREE YEARS ABOUT DOLS100 MILLION WITH NORMAL SALES EFFORT. TWO MISSION MEMBERS REMAINED BEHIND TO PURSUE ESTABLISHMENT LOCAL AND/OR REGIONAL SALES OFFICES. MISSION MEMBERS HAD TOTAL 57 APPOINTMENTS AND VISITED SEVEN PLANTS IN TEHRAN, TABRIZ, AND ISFAHAN. ALSO, MEANINGFUL DISCUSSIONS WERE HELD WITH TOP MILITARY, GOVERNMENT, ACADEMIC, AND INDUSTRY OFFICIALS. APART FROM IRANIAN INTEREST IN SUPERIOR US TECHNOLOGY AND DESIGN, SIGNIFICANT IRANIAN INTEREST IN PROSPECTS FOR TRAINING LOCAL ENGINEERS AND TECHNICIANS IN US PLANTS. END SUMMARY. ACTION REQUESTED: USDOC ADOPT PRACTICE OF MAKING ADVANCE MAN OF ALL TRADE MISSIONS LEADER OF SAME.

1. GENERAL: UNDER ABLE LEADERSHIP OF JOHN A. CONNOR, INTERNATIONAL TRADE DIRECTOR, NMTBA MISSION CONSISTING OF HIGH OFFICIALS OF EIGHT COMPANIES (BROWN & SHARP MANUFACTURING CO.; GIDDINGS & LEWIS, INC; CINCINATTI MILACRON, INC; MORE SPECIAL TOOL COMPANY; DOALL COMPANY; CRANKSHAFT MACHINE COMPANY; KINGSBURY MACHINE TOOL CORP, AND BENDIX CORP) VISITED IRAN FROM FEBRUARY 9 TO 17, 1974. INDIVIDUAL MEMBERS HAD MINIMUM OF 12 APPOINTMENTS EACH IN TEHRAN WITH INDUSTRY, TRADE, AND GOVERNMENT REPRESENTATIVES AND BUSINESS DISCUSSIONS WITH TOP OFFICIALS IN MILITARY INDUSTRIAL ORGANIZATION (MIO), INDUSTRIAL UNCLASSIFIED

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DEVELOPMENT AND RENOVATION ORGANIZATION (IDRO), TRACTORSAZI

AT TABRIZ. ALSO VISITED TEHRAN PLANTS OF MIO, IRAN STATE RAILWAYS, IRAN NATIONAL CORPORATION (LARGEST AUTO ASSEMBLER IN IRAN) AND TABRIZ PLANTS OF IRANIAN DIESEL ENGINE MANUFACTURING CO., IRANIAN BALL BEARING CO. DORMAN DIESEL, AND MACHINESAZI AS WELL AS IRAN NATIONAL STEEL CORPORATION STEEL MILL IN ISFAHAN.

2. PUBLICITY: ALTHOUGH NO MATERIAL WAS RECEIVED FROM NMTBA PRIOR TO MISSION ARRIVAL, EMBASSY ADDRESSED 100 LETTERS TO POTENTIAL CUSTOMERS AND DISTRIBUTORS, ETC., AND FOLLOWED UP WITH A SECOND LETTER WHEN NAMES OF COMPANIES REPRESENTED RECEIVED. EXCELLENT COOPERATION FROM USIS RESULTED IN COMPREHENSIVE COVERAGE IN ENGLISH LANGUAGE AND FARSI DAILY PRESS BEFORE MISSION ARRIVAL. DURING AND AT END OF MISSION USIS ORGANIZED PRESS CONFERENCES FOR MISSION DIRECTOR CONNOR AND MISSION SPOKESMAN KUBA OF MOORE SPECIAL TOOL CO. WHICH RESULTED IN ADDITIONAL WIDE COVERAGE IN DAILY PRESS AND WEEKLY ECONOMIC JOURNALS. RECEPTION HELD IN AMBASSADOR'S NAME (WHO ABSENT FROM TEHRAN) PRODUCED TURNOUT OF SOME 200 HIGH GOI OFFICIALS, TOP BUSINESSMEN AND INDUSTRIALISTS.

3. LOCATION: IN TEHRAN MISSION HEADQUARTERED IN US TRADE CENTER WHICH IDEALLY SITUATED; TC STAFF ARRANGED FOR EACH MEMBER TO HAVE SEMI-PRIVATE BOOTH FOR INTERVIEWS. IN WORDS SEVERAL MISSION MEMBERS, "IT BEST SET UP IN ANY OF 30 COUNTRIES VISITED IN PAST." RECEPTION ALSO HELD AT TRADE CENTER. IN TABRIZ MISSION WORKED OUT OF CONSULATE BUT SPENT MOST OF TIME AT PLANTS DISCUSSING EQUIPMENT NEEDS AND FUTURE PROJECTS ON SPOT. ALL MISSION MEMBERS HIGHLY PLEASED WITH LEADS DEVELOPED IN TABRIZ VISIT. DURING ONE-DAY VISIT TO ISFAHAN EXTENSIVE TOUR OF STEEL MILL MACHINE SHOP AND BAR ROLLING FACILITIES (AGAIN WITH ON-THE-SPOT DISCUSSIONS WITH IRAN STEEL CORP OFFICIALS).

4. ACCOMPLISHMENTS: ALL MISSION MEMBERS HIGHLY PLEASED WITH RESULTS OF VISIT. APPOINTMENTS AND PLANT VISITS IN TEHRAN ELICITED SERIOUS AND ATTRACTIVE SALES PROSPECTS AND PROVIDED INSIGHT INTO NATURE AND SCOPE OF IRAN'S INDUSTRIAL DEVELOPMENT. IN TABRIZ, LIKEWISE, MISSION MEMBERS PLEASED WITH REAL IMMEDIATE LEADS DEVELOPED IN TRACTOR PLANT WHICH CURRENTLY BEGINNING TO ORDER EQUIPMENT FOR INTRODUCTION MASSEY-FERGUSON PRODUCTION LINE.

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CERTAIN MEMBERS KEENLY INTERESTED IN APPROACH TO M-F LONDON OFFICE WHICH CURRENTLY DRAWING UP SPECIFICATIONS AND SHOPPING LISTS FOR NEW EQUIPMENT. AT ISFAHAN, SOME POSSIBILITIES VISUALIZED FOR SECOND PHASE OF STEEL MILL CONSTRUCTION. EXISTING MACHINE SHOP FACILITIES EQUIPPED WITH OLD, WELL-WORN RUSSIAN UNITS (MOSTLY 1959 VINTAGE) DOWN-TIME OF WHICH RISING DAILY. NOT POSSIBLE AT THIS TIME TO QUANTIFY VALUE ACTUAL SALES MADE OR VISUALIZED BY MISSION BUT EMBASSY KNOWS OF ONE DOLS700,000

SALE MADE AND ESTIMATES (ON BASIS OBSERVATIONS, EVES-DROPPING, AND UPSIDE-DOWN READING) THAT US SHARE OF MACHINE TOOL MARKET DURING FIVE-YEAR PLAN SHOULD REACH DOLS100 MILLION WITH NORMAL SALES EFFORT. TWO MISSION MEMBERS REMAINED IN TEHRAN ADDITIONAL TWO DAYS TO MAKE ARRANGEMENTS FOR OPENING LOCAL AND REGIONAL SALES OFFICES. THREE MEMBERS APPOINTED AGENTS. INTERESTING COLLATERAL ACHIEVEMENT WAS EXPOSURE TO VARIOUS LOCAL EDUCATORS OF TRAINING POSSIBILITIES OFFERED BY US FIRMS AND AVAILABILITY OF TRAINING MATERIAL FROM NMTBA AND INDIVIDUAL COMPANIES.

5. CONCLUSION: OUTSTANDING RESULTS OF MISSION DUE LARGELY TO CAREFUL PLANNING BY NMTBA INTERNATIONAL TRADE DIRECTOR CONNOR, WHO TWICE DURING 1973 VISITED TEHRAN AND TABRIZ TO SURVEY SITUATION AND PROSPECTS (IN HIS OWN RIGHT MR. CONNOR IS EXPERIENCED MACHINE TOOL ENGINEER AND SALESMAN) AND FOLLOWING EQUALLY CAREFUL SELECTION OF MISSION MEMBERS. THIS PROOF OF ADVANTAGE OF HAVING ANY REPEAT ANY TRADE MISSION LED BY ADVANCE MAN. EMBASSY CANNOT URGE STRONGLY ENOUGH THAT FUTURE MISSIONS TO IRAN, REGARDLESS OF NATURE AND COMPOSITION, BE LED BY ADVANCE MAN.  
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